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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92048732
Party	Plaintiff Altwater Gessler - J.A. Baczewski International (USA) Inc. and Altwater Gessler - J.A. Baczewski GmbH
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Submission	Motion to Amend Pleading/Amended Pleading
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Date	01/09/2014
Attachments	Second Amended Petition.pdf(381875 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 2,731,948

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	:	
ALTVATER GESSLER – J.A. BACZEWSKI	:	
INTERNATIONAL (USA) INC. and ALTVATER	:	
GESSLER – J.A. BACZEWSKI LIKÖRERZEUGUNG	:	
GESELLSCHAFT M.B.H. d/b/a	:	
ALTVATER GESSLER – J.A. BACZEWSKI GMBH,	:	
	:	
Petitioners,	:	Cancellation No. 92048732
	:	
v.	:	
	:	
RONALD BECKENFELD,	:	
	:	
Registrant.	:	
-----	X	

**SECOND AMENDED PETITION FOR CANCELLATION**

Petitioners Altvater Gessler – J.A. Baczewski International (USA) Inc., a corporation organized and existing under the laws of the State of New Jersey, having its principal business address at 2179 South Street, Fort Lee, New Jersey 07024, and Altvater Gessler – J.A. Baczewski Likörerzeugung Gesellschaft m.b.H. d/b/a Altvater Gessler – J.A. Baczewski GmbH, a limited liability company organized and existing under the laws of Austria, having its principal business address at Strobelgasse 2/6, A-1010 Vienna, Austria (hereinafter collectively referred to as “Petitioners”), believe that they will be damaged by the continued existence of Registration No. 2,731,948 of the trademark MONOPOLOWA, issued July 1, 2003, for “vodka” in Class 33, and therefore petition to cancel the same. As grounds for their cancellation, Petitioners, by their attorneys Leason Ellis LLP, allege as follows:

1. The history of Petitioners dates back several centuries.
2. Petitioners, by and through their predecessors in-interest, have produced high quality alcoholic beverages since at least as early as the 1700's.
3. One of those products is vodka, previously made in Poland, and now made in Austria, sold under the trademark MONOPOLOWA.
4. MONOPOLOWA brand vodka is outstanding dry vodka that is very popular in Poland and the United States.
5. MONOPOLOWA is produced in accordance with an old family recipe from high quality rectified potato spirits obtained from special varieties of potatoes.
6. MONOPOLOWA brand vodka has won numerous awards for its taste and quality.
7. Eduard Gessler, a patriarch of Petitioners, introduced MONOPOLOWA brand vodka in the United States in the 1950's.
8. Toward the end of his life, Eduard Gessler experienced tremendous financial difficulty. He passed away in 1979.
9. Elek Gessler, the son of Eduard Gessler, assumed his father's financial liabilities.
10. In 1980, Elek Gessler formalized the family business by establishing an Austrian corporation named Altvater Gessler – J.A. Baczewski Likörerzeugung Gesellschaft m.b.H., which does business as Altvater Gessler – J.A. Baczewski GmbH (hereinafter referred to as the "AGJAB-Austria").

11. In 1983, Elek Gessler established Altvater Gessler – J.A. Baczewski International (USA), a New Jersey corporation (hereinafter referred to as the “AGJAB-USA”), to manage United States operations.

12. In 1983, AGJAB-Austria assigned all of its trademark rights, including rights in and to the mark MONOPOLOWA, to AGJAB-USA.

13. In 1991, due in large part to the legacy of debt assumed from his father, and as a means to mitigate losses in the event of personal bankruptcy, Elek Gessler assigned all his shares in AGJAB-USA to a third party.

14. Over the years, Petitioners have used many importers and distributors to sell their products in the U.S. One of those companies is Mutual Wholesale Liquor Inc. d/b/a International Import Export (hereinafter referred to as “Mutual”). Until his death in 2008, Mickey Beckenfeld owned, operated and was president of Mutual.

15. Upon information and belief, Mickey Beckenfeld was well aware of the financial difficulties of Elek Gessler. In or about August of 1992, Mickey Beckenfeld expressed concern to Elek Gessler about the fate of the brand MONOPOLOWA in the event that the latter filed for bankruptcy.

16. Mickey Beckenfeld suggested to Elek Gessler that he sign an executory transfer in the brand MONOPOLOWA in the U.S. to be effective only in the event of bankruptcy. The executory agreement was also intended to serve as collateral for Mutual’s purchase of the product directly from Petitioners’ contract manufacturer.

17. On or about August 27, 1992, Mickey Beckenfeld sent a fax to Elek Gessler which purportedly confirmed and outlined the substance of their conversation. Elek

Gessler immediately signed and returned the letter (hereinafter referred to as the “August 27, 1992 Letter”).

18. Elek Gessler, who had assigned away all right, title and interest in AGJAB-USA a year earlier, executed the August 27, 1992 Letter on behalf of “Altvater Gessler G.a.b.,” an entity that never existed and never held any rights in the trademark MONOPOLOWA.

19. The August 27, 1992 Letter was signed on the letterhead for AGJAB-Austria. However, AGJAB-Austria did not own any rights in the mark MONOPOLOWA for vodka in the U.S. in 1992.

20. Upon information and belief, Mutual rested its claim of ownership to the mark MONOPOLOWA for vodka in the U.S. upon the August 27, 1992 Letter.

21. Mutual has always been and remains a mere importer of the vodka produced by Petitioners and bottled under the label MONOPOLOWA.

22. Mutual has never produced a single drop of MONOPOLOWA brand vodka.

23. The labels and cartons for the vodka distributed and sold in the U.S. under the mark MONOPOLOWA state “imported by International Import Export, Los Angeles, California” in very small letters (International Import Export is a d/b/a of Mutual). A copy of a label for the vodka is attached as **Exhibit A**. On the other hand, they prominently state “PRODUCED AND BOTTLED BY J.A. BACZEWSKI” in very large letters (J.A. BACZEWSKI is a trademark of AGJAB-USA as it owns U.S. Reg. Nos. 1,952,832 of the mark ALTVATER GESSLER – J.A. BACZEWSKI and 3,486,879 of the mark J.A. BACZEWSKI).

24. The mark MONOPOLOWA symbolizes extensive goodwill and consumer recognition in Petitioners as developed through decades of continuous and exclusive use of the mark, substantial sales of goods under the mark, and considerable advertising and promotion of the MONOPOLOWA brand in the U.S. and worldwide.

### **CAUSES OF ACTION**

#### **I. At the Time of the Application, the Applicant was Not the Rightful Owner of the Mark**

25. Mutual took no rights to the mark MONOPOLOWA for vodka in the U.S. from the August 27, 1992 Letter.

26. At the time the August 27, 1992 Letter was signed, there was no entity called "Altvater Gessler G.a.b." as indicated in the signature block to said letter.

27. AGJAB-USA was not a signatory to the August 27, 1992 Letter.

28. Elek Gessler did not own any shares in AGJAB-USA when the August 27, 1992 Letter was signed.

29. The August 27, 1992 Letter failed to recite any transfer of goodwill or business associated with the mark and none was in fact transferred.

30. There was a failure of sufficient consideration in support of the August 27, 1992 Letter.

31. Upon information and belief, the purported consideration of \$1.00 recited in the August 27, 1992 Letter was never paid.

32. Any consideration contemplated in the August 27, 1992 Letter would have been ongoing in perpetuity so as to make the purported transaction void on the ground of impossibility and imprecision.

33. The Registration has never been identified as an asset on the books of Mutual or Mickey Beckenfeld, and neither Mutual nor Mickey Beckenfeld reported the transfer of the Registration as a specific taxable event or paid any taxes specifically related to the purported transfer of the Registration. It is therefore evident that there was no legally cognizable assignment as any legitimate transfer would have been expressed in the necessary corporate paperwork and governmental filings.

34. In view of the foregoing, Mutual never obtained any ownership interest in the mark MONOPOLOWA for vodka in the U.S. by virtue of the August 27, 1992 Letter.

## **II. The Application for Registration was Made in Bad Faith**

35. Upon information and belief, without authority from Petitioners, Mutual filed an application to register the mark MONOPOLOWA for vodka (hereinafter referred to as the "Application") with the U.S. Patent and Trademark Office (the "USPTO") on or about September 16, 2002, ten years after the August 27, 1992 Letter.

36. The Application issued to registration on or about July 1, 2003 under U.S. Registration No. 2,731,948 (hereinafter referred to as the "Registration").

37. Upon information and belief, false and fraudulent representations were made under oath to the USPTO in the Application.

38. The underlying Application, signed by John F. Wilson, as General Manager of Mutual, included an averment by Mr. Wilson that "to the best of his knowledge and belief no other person, firm, corporation or association has the right to use the mark in commerce, either in the identical form thereof, or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive . . . ."

39. Also in the Application, Mr. Wilson averred that Mutual was “the owner of the trademark sought to be registered . . . .”

40. Upon information and belief, the aforesaid statements and representations were, in fact, false and Mr. Wilson knew, or reasonably should have known that Mutual was not the true owner of the mark MONOPOLOWA for vodka.

41. Mutual had been distributing Petitioners’ MONOPOLOWA brand vodka for over a decade before it filed the Application. It was certainly aware of their use of the mark.

42. Upon information and belief, Mutual and Petitioners had several telephonic conversations regarding ownership of the mark MONOPOLOWA prior to the filing of the Application during which Petitioners asserted ownership of the mark. Mr. Wilson did not disclose this fact to the USPTO.

43. Upon information and belief, the aforesaid statements and representations so made by Mr. Wilson on behalf of the applicant were knowingly false and made with the intent to deceive and defraud the USPTO for the purpose of securing a Certificate of Registration.

44. Upon information and belief, when the aforesaid statements, representations and omissions were made by Mr. Wilson, the USPTO was not aware of the falsity thereof, but rather believed them to be true and relied upon them and was induced to and did pass the Application on to publication as a result thereof.

45. In view of the foregoing, Mr. Wilson’s false and fraudulent statements and representations constitute a commission of a fraud on the USPTO.

### **III. The Registration was Obtained Fraudulently**

46. Without authorization from Petitioners, Mutual assigned the Registration to Registrant, Ronald Beckenfeld (the “Respondent”) on or about October 4, 2007.



47. The assignment of the Registration from Mutual to Respondent was recorded in the Assignment Branch of the U.S.P.T.O. at Reel 3685 and Frame 0081 on or about December 27, 2007.

48. The assignment of the Registration from Mutual to Respondent was a sham transaction.

49. Respondent is the son of Mickey Beckenfeld.

50. Respondent is not now, nor has he ever been, in the business of distributing liquor or other beverages.

51. Respondent is in the business of manufacturing and selling vitamins and nutritional supplements.

52. Mickey Beckenfeld, Respondent's father, assigned the Registration to Respondent as a "gift."

53. Upon information and belief, Respondent did not provide sufficient consideration for the assignment.

54. Upon information and belief, Mutual did not transfer any assets to Respondent in connection with the assignment which would have allowed him to use the mark MONOPOLOWA for vodka or to control the quality of vodka distributed by others under license.

55. Upon information and belief, Mickey Beckenfeld did not have the authority from Mutual to assign the Registration to a third-party.

56. Mutual and Mickey Beckenfeld assumed tax liability as a result of the property transfer.

57. Neither Mutual nor Mickey reported the assignment as a taxable event or paid any taxes due to the transfer.

58. The failure to report the transfer or to pay taxes on the transfer demonstrates that the assignment was illegitimate.

59. In view of the foregoing, the purported assignment of the Registration from Mutual to Respondent is null and void.

**IV. The Registration should be Cancelled for Abandonment through Naked Licensing**

60. On October 4, 2007, Mutual and Respondent entered into a license agreement (“the License Agreement”), which purports to allow Mutual, as licensee, to use the mark MONOPOLOWA on vodka within the U.S.

61. The License Agreement provides merely that “[f]or the purpose of maintaining quality, LICENSOR or its duly authorized representative shall have the right at all reasonable times and on reasonable notice to enter the premises of LICENSEE and inspect the LICENSED PRODUCTS.”

62. The License Agreement on its face lacks sufficient quality control provisions to prevent naked licensing and abandonment of the Registration. The absence of sufficient quality control provisions renders the License Agreement void.

63. Despite having an affirmative obligation as the registrant to maintain sufficient quality control over products marketed under the mark, Respondent has in fact further engaged in uncontrolled licensing of the mark MONOPOLOWA for vodka. Respondent provides no quality control over MONOPOLOWA brand vodka. He is disengaged from the liquor business in general and the MONOPOLOWA business specifically, never meeting, speaking or corresponding with the producers or suppliers of the vodka, never tasting the vodka,

and never ensuring that MONOPOLOWA products are compliant with government and industry standards. Any efforts at quality control by Respondent have been and are infrequent, irregular, superficial and uninformed.

64. Because Respondent is not now, nor has ever been, involved in Mutual's business as it relates to MONOPOLOWA vodka, Respondent cannot justifiably rely solely on Mutual, his purported licensee, to conduct quality control, especially as Mutual provides no control over the manufacturing of MONOPOLOWA vodka as it operates as a U.S. distributor of the goods only. Petitioners are solely responsible for ensuring the quality of MONOPOLOWA vodka.

65. The course of conduct of Respondent has caused the mark MONOPOLOWA to lose any significance it may have had as a mark identifying Respondent as the source of origin for goods sold under the mark and, as a result, Respondent has abandoned any rights he may have owned in the mark.

66. Mutual's use of the mark MONOPOLOWA misrepresents Respondent's connection with the goods sold under the purportedly licensed mark. A trademark registrant like Respondent who allows this to occur loses the right to use and register the mark such that the Registration should be forfeited and cancelled.

67. The aforesaid activities of Respondent constitute a break in the chain of continuous use necessary to prove priority of use over another. Petitioners have continuously and openly used and promoted the mark MONOPOLOWA in commerce in connection with the manufacture and sale of vodka such that consumers have come to identify them as the true owner of the mark and the source of the high quality vodka sold under the mark.

**V. Respondent Committed Fraud in the Renewal of the Registration**

68. On or about January 24, 2013, Respondent filed a Combined Declaration of Use and Application for Renewal of Registration of a Mark under Sections 8 and 9 of the U.S. Trademark Act (the “Renewal Application”) in the Registration.

69. The Renewal Application includes a claim that the owner is submitting a specimen “showing the mark as used in commerce.”

70. The Renewal Application included a specimen of use described as a “[p]hotograph of goods bearing the mark.”

71. The Renewal Application includes a declaration signed by Respondent verifying that all statements made of his own knowledge are true and that all statements made on information and belief are believed to be true.

72. The declaration to the Renewal Application signed by Respondent includes a warning that willful false statements and the like may jeopardize the validity of the document.

73. The photograph submitted as the specimen of use shows a bottle of MONOPOLOWA brand vodka. The label affixed to the bottle is referred to by Petitioners as the “blue” label. It is an antiquated label which has not been used in approximately the last nine years. Thus, the sworn statement that the specimen shows the mark as used in commerce is demonstrably false.

74. Upon information and belief, Respondent made the statement that the specimen shows the mark as used in commerce with reckless disregard and willful ignorance of the facts.

75. Upon information and belief, Respondent knowingly made a false and

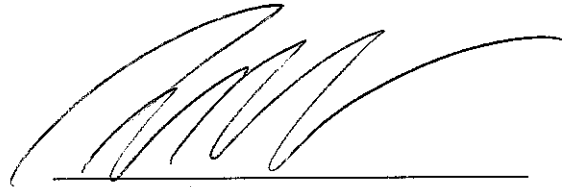
material representation with intent to deceive the USPTO for the purpose of accepting the Renewal Application.

76. In view of the foregoing, the Registration should be canceled since Respondent committed fraud in its maintenance.

**WHEREFORE**, based upon the foregoing, it is respectfully requested that this cancellation action be sustained and that Registration No. 2,731,948 be cancelled.

Dated: January 9, 2014  
White Plains, New York

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Peter S. Sloane', written over a horizontal line.

Peter. S. Sloane  
Cameron S. Reuber

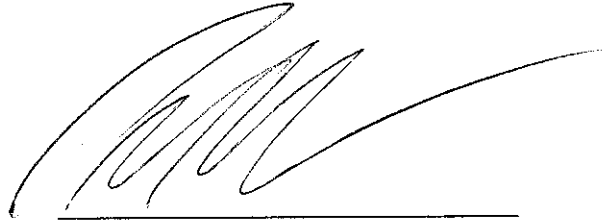
LEASON ELLIS LLP  
One Barker Avenue, Fifth Floor  
White Plains, New York 10601  
Tel.: (914) 821-9073

*Attorneys for Petitioners*

**CERTIFICATE OF SERVICE**

It is hereby certified that a copy of the foregoing **SECOND AMENDED PETITION FOR CANCELLATION** was served upon counsel for Registrant, this 9th day of January, 2014, by First-Class mail, postage prepaid, addressed as follows:

Michael L. Lovitz, Esq.  
BOWEN HAYES & KREISBERG  
10350 Santa Monica Blvd., Ste. 350  
Los Angeles, CA 90025

A handwritten signature in black ink, appearing to read 'Peter S. Sloane', written over a horizontal line.

Peter S. Sloane

# Exhibit A

ESTABLISHED

1782

# VODKA MONOPOLOWA

1 liter

DISTILLED FROM POTATOES

PRODUCED AND BOTTLED BY

40% ALC/VOL  
(80 PROOF)

## J.A. BACZEWSKI

VIENNA

AUSTRIA

Product of Austria

Imported by

International Import Export  
Los Angeles, California

### IMPORTED

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

